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Season's Greetings

Dec. 4 '73



Volume 18

MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE, MARKETING AREA

Number 4

NOVEMBER 1973

Released Pursuant to \$1000.3 and \$1090.85, USDA-AMS
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. E. Bobo, Market Administrator

MARKET SUMMARY - NOVEMBER 1973

The Chattanooga Order MINIMUM uniform producer price is \$8.86 per cwt. at pool plants for milk testing 3.5% butterfat. The producer butterfat differential is 9.2 cents for each one-tenth of one percent above or below 3.5% test. This is a price increase of \$1.94 above November 1972 and an increase of 53 cents above October 1973

In November 1973, 91.4% of producer milk received by pool plants was priced in Class I at \$9.06 per cwt. and 8.6% was priced in Class II at \$7.64 per cwt. for milk testing 3.5% butterfat. The November handler butterfat differential for Class I was 9.5 cents and Class II was 8.6 cents.

Total producer milk received at pool plants during November 1973 was 22,691,149 pounds which is a decrease of 12,686,563 pounds or a daily average decrease of 35.9% compared with November 1972. The November daily average deliveries from 553 producers was 1,368 pounds. This compares to 722 farms delivering a daily average of 1,633 pounds per day during November 1972.

PRODUCER MILK BASE NOTICE

Each producer for the Chattanooga marketing area began September 1, 1973, to establish a new milk base to be used in making payment to such producer during the month of March through July 1974. The 1974 daily average base will be computed by dividing each producer's total Grade A milk deliveries to a handler(s) during September 1, 1973 through January 31, 1974 by the number of days from the first day of delivery during such months to the last day of January, inclusive, but by not less than 120 days. Producers will be paid a uniform price for their total milk deliveries during August 1973 through February 1974. A producer base is assigned to the name (payroll account) as reported by the handler receiving the milk. Producers, particularly partnerships, are urged to see that their name(s) are correctly listed with the receiving plant and the Market Administrator.

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	<u>% Nov. '73</u>			
	<u>Over</u>	<u>Nov.</u>	<u>Oct.</u>	<u>Nov.</u>
	<u>Nov. '72</u>	<u>1973</u>	<u>1973</u>	<u>1972</u>
Number of Plants - Pool		3	3	7
- Non-Pool		13	13	11
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	- 35.9	756,372	739,206	1,179,257
Other Source	+132.3	75,608	101,590	32,544
Other Federal Orders	- 10.3	85,005	85,896	94,717
TOTAL MILK RECEIPTS	- 29.8	916,985	926,692	1,306,518
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	- 19.0	399,008	394,620	492,779
Skim	- 7.7	20,718	20,418	22,440
2% Milk	+ 22.3	187,135	171,940	153,044
Buttermilk	- 7.2	54,660	53,591	58,913
Flavored Milk & Drink	+ 2.3	25,784	27,819	25,211
Creams (Sweet and Sour) and Dip	- 13.2	3,722	3,272	4,290
Yogurt	- 61.3	287	356	742
Pkg. Items Sub-Total (Pool Plants)	- 8.7	691,314	672,016	757,419
Other (Shrinkage, Inventory, etc.)		731	889	6,328
Sales to Non-Pool Plants		-0-	-0-	241,896
In-Area Sales by Non-Pool Plants	+109.1	101,493	103,749	48,546
TOTAL CLASS I MILK	- 24.7	793,538	776,654	1,054,189
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	- 22.1	46,541	63,780	59,727
Livestock Feed and Milk Dumped		5,326	4,995	8,916
Shrinkage Class II		12,958	14,997	16,163
Other (Inv. Variation, Cottage Cheese, etc.)		39,023	54,178	60,305
Bulk Sales to Non-Pool Plants		19,599	12,088	107,218
TOTAL CLASS II MILK	- 51.1	123,447	150,038	252,329
<u>CLASS I PACKAGED POUNDS</u>				
Distributed In Area - Pool Plants	- 8.1	484,782	471,492	527,264
Distributed Out of Area - Pool Plants	- 10.3	206,532	200,524	230,155
Distributed In Area - Non-Pool Plants	+109.1	101,493	103,749	48,546
% Producer Milk of Gross Class I		95.3	95.2	111.9
% Producer Milk Priced in Class I		91.4	90.9	83.2

TOTAL PACKAGE CLASS I POUNDS (DAILY AVERAGE) ON ROUTES IN THE
MARKETING AREA BY POOL PLANTS AND NON-POOL PLANTS

	<u>% Nov. '73</u>			
	<u>Over</u>	<u>Nov.</u>	<u>Oct.</u>	<u>Nov.</u>
	<u>Nov. '72</u>	<u>1973</u>	<u>1973</u>	<u>1972</u>
<u>PACKAGE ITEMS</u>				
Homo Milk	- 8.6	357,175	353,839	390,885
Skim	+ 2.0	16,035	15,885	15,717
2% Milk	+38.8	137,961	127,912	99,383
Buttermilk	+ 2.1	47,293	47,513	46,325
Flavored Milk and Drink	+23.4	24,381	26,865	19,755
Fluid Creams and Yogurt and Dip	- 8.4	3,430	3,227	3,745
Class I Package Pounds - In Area	+ 1.8	586,275	575,241	575,810

COMPUTATION OF PRODUCER UNIFORM PRICE

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NOVEMBER 1973	Class %	Milk Pounds	Butterfat Test - %	Cwt. Price @ Test	Gross Value
Gross Class I		23,806,130	2.824340		
Less Other Source		3,076,247	2.789		
Producer Milk Class I	91.4	20,729,883	2.829529	\$8.423053	\$1,746,089.03
Gross Class II		3,703,432	7.926729		
Less Other Source		1,742,166	0.115		
Producer Milk Class II	8.6	1,961,266	14.865347	17.414198	341,538.74
TOTAL PRODUCER MILK (Cl. I+Cl. II)	100.0	22,691,149	3.869822		\$2,087,627.77
Less Fractional Adjustment					.08
Add Value of Class I Other Source and Producer Location Adjustment		11,759	0.00		674.38
Add ½ Producer-Settlement Fund Reserve					10,480.33
TOTAL VALUE AT TEST		22,702,908	3.867817	\$9.244553	\$2,098,782.40
Less Test over 3.5% @ 9.2¢ per point		22,702,908	.367817	.338392	76,824.82
TOTAL UTILIZATION VALUE AT 3.5%		22,702,908	3.5	\$8.906161	\$2,021,957.58
Less Producer-Settlement Fund Reserve		22,702,908		.046161	10,479.89
PRODUCER UNIFORM PRICE @ 3.5% TEST		22,702,908	3.5	\$8.86	\$2,011,477.69

Reports from the following pool plants were included in the computation of the Order No. 90 uniform producer price for November 1973.

Happy Valley Farms, Inc., Rossville, Georgia
 Mayfield Dairy Farms, Inc., Athens, Tennessee
 Ray Moss Farms, Inc., Chattanooga, Tennessee

The November 1973 ORDER MINIMUM uniform producer price is \$8.86 per cwt. f.o.b. pool plants for milk testing 3.5% butterfat. The producer butterfat differential is 9.2 cents for each one-tenth of one percent above or below 3.5 percent test. The Order minimum prices at test quoted below exclude premiums.

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$8.40	3.75	\$9.09	4.5	\$9.78	5.25	\$10.47
3.05	8.446	3.8	9.136	4.55	9.826	5.3	10.516
3.1	8.492	3.85	9.182	4.6	9.872	5.35	10.562
3.15	8.538	3.9	9.228	4.65	9.918	5.4	10.608
3.2	8.584	3.95	9.274	4.7	9.964	5.45	10.654
3.25	8.63	4.0	9.32	4.75	10.01	5.5	10.70
3.3	8.676	4.05	9.366	4.8	10.056	5.55	10.746
3.35	8.722	4.1	9.412	4.85	10.102	5.6	10.792
3.4	8.768	4.15	9.458	4.9	10.148	5.65	10.838
3.45	8.814	4.2	9.504	4.95	10.194	5.7	10.884
3.5	8.86	4.25	9.55	5.0	10.24	5.75	10.93
3.55	8.906	4.3	9.596	5.05	10.286	5.8	10.976
3.6	8.952	4.35	9.642	5.1	10.332	5.85	11.022
3.65	8.998	4.4	9.688	5.15	10.378	5.9	11.068
3.7	9.044	4.45	9.734	5.2	10.424	5.95	11.114

NOVEMBER 1973 PRODUCER BUTTERFAT DIFFERENTIAL COMPUTATION

Butterfat Allocated	B'Fat Use Percentage	Prod. Lbs. Butterfat	Class B'Fat Differential	Butterfat Value
Class I	66.8	586,558	\$0.95	\$ 557,230.10
Class II	33.2	291,549	0.86	250,732.14
Total	100.0	878,107		\$ 807,962.24

Total Butterfat Value ÷ Total Producer fat pounds = \$0.920118

Producer Butterfat Differential per point variation above or below

3.5 percent - - - - - \$ 0.092

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf. Dif.	Cwt.	Bf. Dif.	Cwt.	Bf. Dif.
Nov. '72	\$6.92	-	-	8.2¢	\$7.25	8.3¢	\$5.32	8.0¢
Dec.	6.91	-	-	8.2	7.33	8.3	5.41	8.1
Jan. '73	6.90	-	-	8.2	7.47	8.5	5.43	7.8
Feb.	7.10	-	-	8.0	7.56	8.1	5.45	7.8
Mar.	6.95 2/	\$7.07	\$5.55	7.8	7.58	8.1	5.55	7.4
Apr.	6.80 2/	6.95	5.63	7.4	7.60	7.7	5.63	7.1
May	6.94 2/	7.10	5.66	7.2	7.70	7.4	5.66	7.0
June	7.10 2/	7.24	5.73	7.2	7.78	7.3	5.73	7.0
July	7.32 2/	7.44	5.78	7.4	7.81	7.3	5.78	7.3
Aug.	7.74	-	-	8.0	7.88	7.6	6.38	9.0
Sept.	8.28	-	-	9.6	8.37	9.4	6.91	9.9
Oct.	8.33	-	-	10.0	8.53	10.3	7.49	9.1
Nov.	8.86	-	-	9.2	9.06	9.5	7.64	8.6
Dec.	-	-	-	-	9.64	9.0	-	-
Jan. '74	-	-	-	-	9.79	-	-	-

Date	PRICE QUOTATIONS			PRODUCER MILK USE					
	Chi.92° Butter	Chi.Area Powder	Minn/Wisc. Mfg. Milk	(Daily Average)		Percentage Use		Cl.I	Cl.II
	¢ Lb.	¢ Lb.	Cwt.-3.5%	Class I Pounds	Test-%	Class II Pounds	Test-%		
Nov. '72	69.29	34.99	\$5.32	981,185	3.17	198,072	7.50	83.2	16.8
Dec.	70.49	37.36	5.41	920,115	3.15	254,774	6.93	78.3	21.7
Jan. '73	67.72	39.06	5.43	885,877	3.04	316,704	6.53	73.7	26.3
Feb.	67.71	40.34	5.45	959,795	3.09	267,892	7.19	78.2	21.8
Mar.	64.17	41.99	5.55	888,264	3.01	373,861	5.92	70.4	29.6
Apr.	61.58	43.98	5.63	767,656	3.02	540,208	4.95	58.7	41.3
May	61.00	45.20	5.66	793,404	2.93	484,871	4.80	62.1	37.9
June	61.00	45.24	5.73	779,652	2.98	407,557	4.87	65.7	34.3
July	63.43	45.51	5.78	763,373	3.03	247,383	5.55	75.5	24.5
Aug.	78.15	47.96	6.38	647,883	2.89	126,570	7.38	83.7	16.3
Sept.	85.94	50.07	6.91	675,195	2.80	71,764	11.48	90.4	9.6
Oct.	79.34	50.82	7.49	672,259	2.78	66,947	13.28	90.9	9.1
Nov.	75.00	51.04	7.64	690,996	2.83	65,376	14.87	91.4	8.6

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLERS GROSS MILK 3/				PRODUCER DATA				
	No.	Total	Class I	Pool	No.	Total	Base	Average	Av.Per
	Hdlers	Receipts	Use	Plants	Prod.	Delivery	Delivery	Test-%	Farm
Nov. '72	18	1,306,518	1,054,189	7	722	1,179,257	-	3.90	1,633
Dec.	19	1,295,846	981,606	7	723	1,174,889	-	3.97	1,625
Jan. '73	18	1,301,289	958,995	6	769	1,202,581	-	3.96	1,564
Feb.	18	1,315,283	1,026,601	6	745	1,227,687	-	3.99	1,648
Mar.	18	1,354,127	956,276	6	739	1,262,125	1,162,997	3.87	1,708
Apr.	18	1,412,799	839,607	6	732	1,307,864	1,162,188	3.82	1,787
May	18	1,367,832	861,685	6	726	1,278,275	1,140,405	3.64	1,761
June	18	1,273,527	843,702	6	720	1,187,209	1,076,817	3.63	1,649
July	17	1,128,476	857,423	4	630	1,010,756	938,848	3.64	1,604
Aug.	17	905,289	742,937	4	601	774,453	-	3.63	1,289
Sept.	16	954,718	786,950	3	567	746,959	-	3.63	1,317
Oct.	16	926,692	776,654	3	561	739,206	-	3.74	1,318
Nov.	16	916,985	793,538	3	553	756,372	-	3.87	1,368

1/ Excludes Premiums

2/ Weighted Average Price

3/ Other Source is Gross minus Producer; Class II is Receipts minus Class I